

REMARKS

This paper is responsive to a final Office Action mailed November 30, 2005 and is filed concurrent with a request for continued examination. Claims 7 and 8 have been amended. The scope of Claims 7 and 8 has not been narrowed, nor are the amendments required for purposes of patentability, but are provided for simple clarification of the subject matter recited. The remaining claims have not been amended. Claim 1-26 are pending in the application.

In the Office Action, Claims 1-26 were rejected as being anticipated by U.S. Patent No. 5,101,353 to Lupien et al. (hereinafter "Lupien"). Applicant has carefully considered the cited art and the comments provided in the Office Action. Applicant believes the Office has erred and by doing so, has failed to establish a *prima facie* case of anticipation. Lupien does not teach each and every element recited in the pending claims. Withdrawal of the claim rejections under 35 U.S.C. § 102 and allowance of the application is proper.

To establish a *prima facie* claim rejection under Section 102, the Office must identify a prior art reference that discloses all of the elements recited in a claim and further demonstrate that the elements are arranged as recited in the claim. See *Titanium Metals Corp. v. Banner*, 778 F.2d 775, 780 (Fed. Cir. 1985). See also MPEP § 706.02(a) and MPEP § 2131.01. Applicant submits that the above criteria have not been met in the current application.

Claims 1-11 Are Patentably Distinguished Over the Prior Art

For convenience of discussion herein, Claim 1 is repeated as follows:

1. A method of facilitating trading among a set of processes having respective owners, comprising:

automatically, via a computer, operating at least one of the processes according to an order processing methodology by

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(a) retrieving a decision table having at least two rules specifying at least one of a discovery strategy and an order handling strategy, each rule having at least one condition and at least one action to be taken when the condition is satisfied, the at least one action selected by the owner of the process from the group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in the decision table, and

(b) automatically evaluating whether the at least one condition for each of the rules is satisfied, and for each of the rules having a satisfied condition, automatically, via a computer, configuring the at least one process to act on the at least one action.

Lupien fails to disclose all of the elements of Claim 1. Turning the cited art, Lupien relates to an automated system for trading securities in a portfolio. After considering portfolio data, such as a "client's current and 'normal' holdings for each security and its identification data, together with estimates of each security's price variability, cash flows, and a number of investment characteristics such as industry and sector exposures, earnings/price and debt/equity ratios," as well as "instructions concerning the maximum and minimum cash positions designated by the client and the deviations allowed from the base portfolio's individual sector, industry and security weightings" (Col. 3, lines 15-28), the system reviews real-time securities trading data and automatically issues buy and/or sell orders. (Col. 10, lines 24-30). As noted to the Office in a prior response, the action-to-be-taken in Lupien's system is always generating an order.

In contrast, the action-to-be-taken according to Claim 1 is one of "(i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in the decision table."

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Moreover, according to Claim 1, the action-to-be-taken is "selected" by the respective owner of the process and the action is embodied in a decision table that is "retriev[ed]." These elements of Claim 1 are not taught in Lupien.

Responding first to the Examiner's comments presented on page 8 of the Office Action, the Examiner argued:

Lupien discloses a system which enables users who are so inclined to take advantage of the computer system for trading, such that their involvement in the decision process is not required. However, Lupien further discloses wherein client involvement and activity within the trading process is on a proactive level, in which the computer is not relied upon for decision making. In this manner, the action-to-be-taken is selected by the respective owner of the process with regards to generating an order, obtaining more information, and evaluating another rule as part of the trading process.

Neither of the two classes of users presented in the Examiner's argument have a bearing on the patentability of Claim 1. The first class of users "who are so inclined to take advantage of [Lupien's] computer system" are, as admitted, not involved in the decision process. In contrast, in Claim 1, the respective process owner is involved in the processing; that is, the owner has "selected" an "action ... from the group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in the decision table." This action is embodied in a decision table that is retrieved and processed, as claimed. Disclosure of this first class of users does not anticipate the method of Claim 1.

The second class of users argued in the Office Action are those who make trading decisions on their own, separate from the computer system (i.e., "in which the computer is not

relied upon for decision making). These users are referenced in Lupien at Col. 6, lines 41-45 ("Alternatively, each client may develop its own algorithms to perform the transaction decision-making function and may use this invention for its trading, order management and reporting facilities, discussed below.") In other words, these users are those who, after determining that they wish to place an order, approach the computer and input their order for processing. In contrast, the method in Claim 1 involves a computer that "automatically evalu[es] whether the at least one condition for each of the rules is satisfied, and for each of the rules having a satisfied condition, automatically, via a computer, configuring the at least one process to act on the at least one action," which action may include placing an order, as well as obtaining more information or evaluating another rule in the decision table. Lupien's disclosure of a class of users that makes decisions off-line and uses the computer "only for its trading, order management, and reporting facilities" does not anticipate the method set forth in Claim 1.

The Office Action, page 8, also advised the applicant "to review the cited art in response to the amendments to claims 1 and 12 as shown in the present Office Action." Applicant has done so, and is further convinced that Lupien does not anticipate the claims.

As to the claimed "retrieving a decision table having at least two rules specifying at least one of a discovery strategy and an order handling strategy, each rule having at least one condition and at least one action to be taken when the condition is satisfied," the Office Action cited Col. 3, lines 43-45 and Col. 6, lines 41-45, which read as follows:

The division of orders among those sources of executions will be based upon a series of rules including probability of execution and control of pending orders.

...

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Alternatively, each client may develop its own algorithms to perform the transaction decision-making function and may use this invention only for its trading, order management and reporting facilities, discussed below.

Neither of these passages discloses anything about "retrieving a decision table having at least two rules specifying at least one of a discovery strategy and an order handling strategy, each rule having at least one condition and at least one action to be taken when the condition is satisfied." The first passage (Col. 3, lines 43-45) merely states that rules can be considered when determining where to submit orders ("on one or more computerized exchanges, brokerage services, market access networks or displayed through its own network" -- see Col. 3, lines 37-42). The decision *where* to submit an order is not relevant to Claim 1.

The second passage (Col. 6, lines 41-45) merely states there are users who can make trading decisions on their own, separate from the computer system. If they wish, they apparently can use the Lupien's system for its trading, order management and reporting facilities. However, this passage states nothing about retrieving a decision table having rules with conditions and actions, as claimed.

As to the claimed "the at least one action selected by the owner of the process from the group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in the decision table," the Office Action cited Lupien at Col. 3, lines 23-29; Col. 6, lines 41-45 and lines 66-68; Col. 7, lines 15-26 and lines 39-43; Col. 9, lines 48-55; Col. 10, lines 1-8; and Col. 11, lines 10-20, 34-37, and 66-68, as anticipating this element. Each of these passages is repeated and discussed as follows.

Col. 3, lines 23-29 state:

The computer also holds instructions concerning the maximum and minimum cash positions designated by the client and the deviations allowed from the base portfolio's individual sector, industry and security weightings which may also be determined by the client.

This passage says nothing about a process owner selecting an action from a group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in a decision table. This passage merely states that a client can provide constraints for overall portfolio management, e.g., to avoid overweighting, underweighting or departing completely from a designated sector or industry, or holding too much or too little cash.

Col. 6, lines 41-45 and 66-68 (continuing to Col. 7, line 2) state:

Alternatively, each client may develop its own algorithms to perform the transaction decision-making function and may use this invention only for its trading, order management and reporting facilities, discussed below.

...

CPU 23 provides client users of the system an opportunity to execute sales and purchases external to the system rather than limiting them to transactions with other clients.

Again, these passages say nothing about a process owner selecting an action from a group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in a decision table. These passages merely suggest there are users who can make trading decisions on their own, separate from the computer system, and that the users can trade with external markets, which is not relevant to Claim 1.

Col. 7, lines 15-26 and 39-43 state:

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Clients and brokers using the system have the ability to view information pertaining to all pending orders and all of their own executed and cancelled orders ranked by various criteria as demonstrated in the various screen or window formats shown in FIGS. 2 through 6. A sorting function allows the user to concentrate on the most important orders according to the selected criteria. This display function allows users to manage their orders and to review how their decision and trade processes are working, how their orders are interacting with the market, and what other market participants are doing.

...

The bottom portion of all screens contains prompts that enable the user to change the way the data is displayed or ranked, to move to other screens, to alter orders or to respond to the orders of other system or market participants.

As with the previous cited passages, these passages say nothing about a process owner selecting an action from a group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in a decision table. These passages simply describe a system in which users can view pending, executed or cancelled orders (i.e., orders that have already been placed), in a sorted order, and in which users can choose to alter the orders if desired. In contrast, Claim 1, in part, concerns owner-selection of an action that is embodied in a decision table and processed *before* an order has been placed.

Col. 9, lines 48-55 state:

During the trading day it updates its files from storage devices 14 and/or discs 12 with data covering internal market quotes, executions and

other internal data, as well as with data continuously input during the trading day from the client's securities information vendor's quote and trade data feeds covering current external quotes, trades and other market data.

Whether Lupien's system obtains updated data during the trading day does not teach or suggest the presently-claimed element wherein "the at least one action selected by the owner of the process from the group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in the decision table."

Col. 10, lines 1-8 state:

Since clients have differing risk profiles at different times, the present invention provides added flexibility by permitting the client or manager to make manual changes or changes by electronic means in step 36 to his original criteria covering risk profile and the tolerated variance from the base portfolio by sector, industry, cash and other factors. Such changes may be entered at any time during or after the trading day.

As noted earlier, Lupien's disclosure of a system in which a client can provide constraints for overall portfolio management, e.g., to avoid overweighting, underweighting or departing completely from a designated sector or industry, or holding too much or too little cash, does not anticipate Claim 1. While these portfolio criteria can be varied during or after the trading day, according to Lupien, this disclosure has no bearing on Claim 1.

Lastly, Col. 11, lines 10-20, 34-37, and 66-68.

A particular advantage of this invention is that clients running their own balancing algorithms may in step 42 alter any order on the system by changing, cancelling or adding to it. What differentiates this capability, as

implemented by this invention, from others that allow the keyboard or computerized entry of orders into computerized securities trading systems is that the system of the invention allows computers to alter and receive confirmation of order changes on national markets with a delay of only seconds.

...

Manual alteration of orders, although not usual due to the speed of operation of the system and the reliance on trading algorithms, is also available to clients at step 42.

...

As long as an order remains unexecuted, it is subject to cancellation or alteration by the system in step 38 or by the client's process or manually in step 42.

When considering these passages, applicant noted that in all cases, the disclosure concerned alteration of an order *that has already been placed*. This disclosure cannot anticipate Claim 1, which recites retrieving a decision table having "at least one action selected by the owner of the process from the group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in the decision table," which occurs *before* an order has been placed.

Furthermore, notwithstanding the citations in Lupien at Col. 10, lines 24-68 and Col. 11, lines 1-10, applicant also disagrees that Lupien discloses the element of "automatically evaluating whether the at least one condition for each of the rules is satisfied, and for each of the rules having a satisfied condition, automatically, via a computer, configuring the at least one process to act on the at least one action."

Having considered all of the cited passages in Lupien, and indeed the entire Lupien reference, applicant submits that Lupien does not disclose all of the elements recited in Claim 1 nor does Lupien teach elements that are arranged as recited in the claim. Accordingly, the Office has not established a *prima facie* case of anticipation under Section 102. MPEP § 706.02(a) and MPEP § 2131.01. The rejection of Claim 1 should be withdrawn and Claim 1 should be allowed

Claims 2-11 are also allowable for their dependency on patentable Claim 1 and for the additional subject matter they recite. For example, Claim 6 recites "wherein the decision table includes a holding tank for storing at least one order waiting for a market related event", Claim 7 recites "wherein the at least one action ... includes assigning a value to a parameter", Claim 8 recites "wherein the at least one action ... includes transferring to another rule", Claim 9 recites "wherein at least one of the rules also specifies a time for acting on its at least one action", and Claim 10 recites "wherein the at least one action in at least one of the rules is a wait operation." Applicant has considered the passages in Lupien cited in regard to these claims as well as the other dependent claims, and does not find disclosure that establishes a *prima facie* case of anticipation. Claim 2-11 should be allowed.

Claims 12-26 Are Patentably Distinguished Over the Prior Art

Claim 12 is repeated as follows:

12. A method of facilitating trading, comprising:
automatically, via a computer, retrieving, at an order handling process operated on behalf of a process owner that is one of a plurality of process owners, a decision table representing an order processing methodology, the decision table having at least two rules specifying at least one of a discovery strategy and an order handling strategy, each rule having at least one condition and at least one action to be taken when the

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condition is satisfied, the at least one action selected by the process owner from the group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in the decision table, and automatically, via a computer, applying, at the order handling process, the decision table to process an order when a specified event occurs.

The Office Action rejected Claim 12 by citing the same passages of Lupien and providing the same commentary discussed above with respect to Claim 1. For similar reasons discussed above, applicant submits that Claim 12 is also patentable over Lupien. In part, Lupien fails to teach or suggest elements such as "automatically...retrieving...a decision table representing an order processing methodology, the decision table having at least two rules specifying at least one of a discovery strategy and an order handling strategy, each rule having at least one condition and at least one action to be taken when the condition is satisfied" and "the at least one action selected by the process owner from the group comprising (i) generating an order, (ii) obtaining more information, and (iii) evaluating another rule in the decision table", as well as "automatically ...applying...the decision table to process an order when a specified event occurs," as claimed in Claim 12. Lupien does not anticipate Claim 12. Claim 12 should be allowed.

Claims 13-26 are also allowable for their dependency on patentable Claim 12 and for the additional subject matter they recite. Applicant has considered the passages in Lupien cited in the Office Action in regard to each of these claims and does not find disclosure that establishes a *prima facie* case of anticipation.

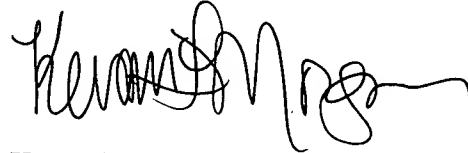
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CONCLUSION

In view of the foregoing remarks, applicant requests withdrawal of the claim rejections and allowance of the claims. A notice to that effect at an early date is requested. Should the Office have any additional matters that need resolution prior to allowance, the Examiner is invited to contact the undersigned counsel at the telephone number indicated below.

Respectfully submitted,

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